

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

IN RE:	§	
	§	
IRONCLAD PRESSURE CONTROL, LLC	§	Case No. 23-70156
	§	In Proceedings Under Chapter 11
Debtor.	§	Subchapter V

SECTION 1188(c) PRE-STATUS CONFERENCE REPORT

TO THE HONORBLE SHAD ROBINSON, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, Ironclad Pressure Control, LLC, the Debtor in Possession in the referenced Chapter 11 bankruptcy proceeding (“Ironclad”) or “Debtor”), and files this *Section 1188(c) Pre-Status Conference Report* (the “Status Report”) and in support thereof would respectfully show unto the Court as follows:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b).

Bankruptcy

2. Debtor filed a Voluntary Petition for relief under Subchapter V of chapter 11 of the United States Bankruptcy Code on December 8, 2023 (the “Petition Date”). Since the Petition Date, Debtor has continued to operate as a debtor in possession pursuant to 11 U.S.C. §§ 1106(a) and 1184.

3. On December 12, 2023, Eric Terry was appointed to serve as the Subchapter V Trustee pursuant to *Notice of Appointment of Subchapter V Trustee* filed by the United States Trustee for the Western District of Texas [Docket No. 6].

Matters Precipitating Case Commencement

4. On December 4, 2023, C&W International Fabricators, LLC (“C&W”) commenced suit against Ironclad in the 244th Judicial District Court of Ector County, Texas under Cause No. C-23-12-1320-CV styled *C&W International Fabricators, LLC vs. Ironclad Pressure Control, LLC, Ermelinda (Mindy) Rivas, Bailee Nicole Rivas-Fernandez, and Albert Dehoyos* seeking, among other things, pre-judgment temporary injunctive relief freezing the assets and business operations of the Debtor. C&W asserts an unsecured claim in the instant bankruptcy case of no less than \$3,998,122.00 which is disputed and subject to counter claims and independent Chapter 5 causes of action by the Debtor.

5. On December 5, 2023, the presiding judge for the 244th Judicial District entered a *Temporary Restraining Order & Order Setting Hearing for Temporary Injunction* granting the relief requested by C&W and thereby freezing the assets and operations of the Debtor.

6. Unable to operate, the Debtor had no option other than to commence the instant bankruptcy case. Unfortunately, there was insufficient time prior to commencement of the bankruptcy case to arrange for debtor-in-possession financing and make other preparations ordinarily made in advance of commencement of a reorganization proceeding.

Summary of Debtor’s Operations

7. Debtor is an oilfield services company formed as a Delaware limited liability company in February 2023, and is headquartered on leased property located at 16690 W. Basin Street, Odessa, Texas.

8. In addition to company headquarters, Debtor owns a home located at 5616 E County Road 95, Midland, Texas which is available for overnight stays by employees of the Debtor while stationed on jobs in the surrounding area. Kingdom Trinity, LLC asserts a deed of trust lien

against the home securing a claim of approximately \$1,190,000.00. Local ad valorem tax jurisdictions assert claims for property taxes as well.

9. Aside from financed and leased vehicles used by Debtor's employees to conduct oilfield services, Debtor has on hand oilfield equipment available for sale or rental to customers with a value of approximately \$3,560,000.00.

10. FundThrough USA Inc. ("FundThrough") asserts a first-in-priority lien against the Debtor's untitled personal property, including the aforementioned oilfield equipment, to secure a claim for factoring invoices for the Debtor aggregating approximately \$330,000.00.

11. On the Petition Date, the Debtor was obligated for priority wage claims to nine employees of approximately \$40,000.00 as well as priority claims of the Internal Revenue Service, Texas Comptroller and Texas Workforce Commission of approximately \$110,000.00.

12. Claims of general unsecured creditors of the Debtor total approximately \$5,845,000.00.

Post-Petition Activities

13. Debtor has selected Veritex Community Bank as its depository institution and is in the process of migrating funds to that financial institution.

14. Since commencing the instant bankruptcy case, the Debtor has been in negotiations with FundThrough regarding post-petition factoring of accounts as well as use of available cash collateral. Further, Debtor has reached out to numerous lenders regarding potential debtor-in-possession financing. Finally, Debtor is engaged in discussions with auctioneers specializing in the sale of oilfield equipment regarding potential liquidation of certain of the Debtor's oilfield equipment which is unessential to continued operations. The Debtor anticipates advancing a debtor-in-possession funding proposal to this Court in relatively short order.

Debtor's Efforts to Formulate a Chapter 11 Plan

15. Consistent with 11 U.S.C. § 1190, the Debtor anticipates filing a chapter 11 plan which proposes satisfaction of claims of unsecured creditors of the Debtor in an amount of no less than (a) the liquidation value of the non-exempt unencumbered assets of the estates together with (b) the Debtor's disposable income generated from operations during the three to five-year life of the plan.

16. Additionally, the Debtor's chapter 11 plan will include provisions for a disputed claims reserve calling for all distributions due and owing C&W to be held in trust pending entry of a final judgment after exhaustion of the appeal process and any subsequent proceedings.

Debtor's Communications with Creditors Regarding Consensual Plan

17. Debtor's counsel has initiated communications with FundThrough regarding retirement of the FundThrough claim; however, until the Debtor has advanced a plan to finance operations during the pendency of the instant bankruptcy proceeding conversations with creditors concerning exit from bankruptcy are premature. It is anticipated; however, that discussions will expand to include other creditors of the Debtor as the Debtor advances toward preparation of a chapter 11 plan.

Dated this the 19th day of January 2024.

ROCHELLE McCULLOUGH, LLP
300 Throckmorton Street, Suite 520
Fort Worth, Texas 76102
Telephone: 817.347.5260
Facsimile: 817.347.5269
<http://www.romclaw.com>

By: /s/ Joseph F. Postnikoff
Joseph F. Postnikoff
State Bar No. 16168320
Email: jpostnikoff@romclaw.com
Laurie Dahl Rea
State Bar No. 00796150
Email: laurie.rea@romclaw.com

COUNSEL FOR DEBTOR IN POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 19th day of January 2024, a copy of the foregoing Report was served via ECF on the parties registered with the Court to receive ECF.

/s/ Joseph F. Postnikoff
Joseph F. Postnikoff